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FINANCIAL STATEMENT

OF THE

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Hon. R. Harcourt (1849-

TREASURER OF THE PROVINCE OF ONTARIO,

DELIVERED ON THE EIGHTEENTH DAY OF FEBRUARY,

1897,

IN THE LEGISLATIVE ASSEMBLY OF THE PROVINCE OF
ONTARIO, ON MOVING THE HOUSE INTO
COMMITTEE OF SUPPLY.

TORONTO :

WARWICK BRO'S & RUTTER, PRINTERS, ETC., 68 AND 70 FRONT ST. WEST.
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INDEX.

PAGE.

Appendix	39
Assets	30
Analysis of succession duties	10
Annuities, sale of	12
Arbitration proceedings	27
Appeal by Dominion dismissed	28
Brewers' licenses	9
Common school fund	28
Defence of our rights	20
Dairying encouraged	24
Estimated receipts, 1897.	32
" expenditure, 1897	32
Expenditures, 1896.	14
Higher education	18
Indian claims	28
Liabilities presently payable	31
License receipts	9
Mineral wealth of Ontario	33
Ontario's appeal sustained	28
Public institutions' expenditure	18
Receipts, 1896.	7
Reduction in yearly expenditures	19
Railways built since Confederation	21
Railway aid certificates	39
Sir Oliver Mowat	20
Satisfactory results <i>re</i> awards	28
Succession duties	10
Successful sale of annuities	19
Surplus	31

FINANCIAL STATEMENT.
OF
HON. R. HARCOURT.

LEGISLATIVE ASSEMBLY,

TORONTO, 18th February, 1897.

MR. SPEAKER :—

The topic upon which I am to address the House this afternoon is not in itself a fascinating one. If my aim were merely to interest or to hold the attention of an audience for an hour or more it is perhaps the very last subject I would select. And yet to hon. members the question of our finances, the exact condition of our balance sheet, everything in fact relating to our expenditures and receipts, our annual stock-taking in a word, will prove of perennial interest and always command closest attention.

It is true that we have no very flexible sources of revenue capable at times of great expansion, such as exist in other countries, and therefore the House never expects a surprise by way of an announcement that there has been, for example, an abnormally productive yield in this or that direction. Our revenues, with one or two exceptions, are so fixed and inelastic that we are able to estimate them from year to year with no small degree of accuracy, and the House, from long experience, knows each year in anticipation of the Treasurer's statement that the expenditures have been kept well within the amount it sanctioned and authorized.

RECEIPTS, 1896.

Subsidy	\$1,116,872 80	
Specific Grant	80,000 00	
		\$1,196,872 80
Interest on Capital held, and Debts due by the Dominion to Ontario	214,528 68	
Interest on Investments	46,026 11	
		260,554 79
<i>Crown Lands Department :—</i>		
Crown Lands	44,303 26	
Rent re Crown Lands	46,940 09	
Railway Lands	766 70	
Clergy Lands	4,201 57	
Common School Lands	12,814 67	
Grammar School Lands	2,004 23	
Woods and Forests	812,421 78	
Cullers' Fees	148 00	
Casual Fees	487 92	
Fishing Licenses	504 00	
Rondeau Park	71 40	
Algonquin Park	199 34	
Refunds	399 97	
		925,262 93
Algoma Taxes		3,370 11
Law Stamps		63,566 82
Licenses		286,172 78
Education Department		69,522 54
Sale of Lands at Toronto L. A.		3,000 00
<i>Public Institutions Revenue :—</i>		
Toronto Lunatic Asylum	44,133 41	
Mimico "	4,334 03	
London "	23,238 69	
Hamilton "	25,504 38	
Kingston "	13,123 59	
Brockville "	1,951 59	
Orillia "	5,532 44	
Reformatory for Females	2,439 52	
" Boys	660 50	
Deaf and Dumb Institute	100 00	
Blind Institute	50 00	
Central Prison Industries	25,661 43	
		146,730 15
<i>Casual Revenue :—</i>		
Provincial Secretary's Department	18,700 45	
Provincial Registrar's Branch	93 50	
Registrar-General's Branch	270 00	
Fines, etc	4,045 79	
Insurance Companies' Fees—Ontario Act and 1892 Act	15,484 59	

RECEIPTS 1896.—Continued.

Public Officers' Surplus Fees (57 V., cap. 9, and R. S. O. cap. 50).....	\$23,678 23	
Fees—Local Masters of Titles.....	2,016 95	
Shooting and Fishing Licenses (Fishing Licenses, additional \$504.00. See Crown Lands Department)	8,208 53	
Circus Licenses.....	1,601 60	
County of York, proportion of expenses Master of Land Titles Office.....	2,055 68	
Balance <i>re</i> Mortgage Interest Account, Lunatics' Estates.....	10,102 41	
Official Gazette.....	6,850 94	
Private Bills.....	3,913 60	
Statutes.....	1,053 89	
Ground rent, old Agricultural Hall site.....	3,000 00	
Refunds.....	405 77	
Incidentals.....	301 10	
Insurance Companies' Assessments <i>re</i> Expenditure for Insurance Branch.....	2,999 99	
Removal of Patients to Asylums.....	4,406 43	
		\$109,189 43
Succession Duties.....	165,383 40	
Brockville L. A.—Capital Account Refund <i>re</i> Expenditure.....	4 76	
Mercer Reformatory " " ".....	188 00	
Orillia I. A. " <i>re</i> sale of old asylum property....	10,000 00	
Drainage Works Assessments.....	22,610 91	
		3,262,429 42
Drainage Debentures.....	40,916 33	
" Tile.....	9,595 00	
Sale of annuities.....	177,730 70	
		\$3,490,671 45

I have nothing to announce out of the usual or ordinary concerning the finances of 1896, either as regards our receipts or our expenditures. Our receipts for the year, whether taken in the aggregate or having regard to the main heads of revenue taken one by one, are alike satisfactory. I estimated, for example, last February that we would receive during the year upon which we were then entering in round numbers \$3,122,000. As a fact we did actually receive, excluding the annuities \$3,312,940. This proves once more that we are always careful to state as our estimate of revenue an amount well within what we can reasonably hope to receive.

Our subsidy receipt was, of course, the same as that of last year and previous years. It will be noticed that our receipt for the year under

the head of "Interest on capital held and debts due by the Dominion to Ontario" is less than it was in former years. For several years prior to 1894 we received as interest from the Dominion on moneys held for us a round sum of \$300,000 a year. This sum was, of course, an approximate amount, the real and actual amount not being as yet exactly ascertained. In 1894 we received \$310,020. This amount represents exactly 5 per cent. on five separate funds, viz., the capital sum placed to our credit by 47 Victoria, Chapter IV.; our Common School Fund, our Grammar School Fund, our Upper Canada Building Fund and our Upper Canada Improvement Fund.

In 1895 we received \$262,274, or \$47,746 less than the previous year. Now \$47,746 represents a half year's interest on what we call our trust funds, so that one payment—the payments are half-yearly—of this interest was withheld in 1895. Last year two such payments were withheld, in all \$95,493, and this accounts for our reduced receipt under this head. These trust funds, it will be remembered, are the Upper Canada Grammar School Fund, \$312,769; the Upper Canada Building Fund \$1,472,391, and the Land Improvement Fund, \$124,685, the three aggregating \$1,909,845.

In my last statement in speaking of our assets I roughly estimated the unascertained balance due the Dominion on the open accounts at \$2,000,000, and in discussing our surplus I took this item into consideration. The Dominion contends that this unadjusted, unascertained balance being about equal in amount to the sum of our trust funds, the interest on the latter hitherto paid to us half-yearly, should for the time being and pending a final and complete settlement be withheld. I am now of the opinion, in the light of fuller information than we were possessed of a year ago, and especially having regard to recent decisions of the Arbitrators, that this unadjusted, unascertained balance is less by at least \$250,000 than the sum mentioned in my last financial statement.

From Crown lands, our largest source of revenue aside from the Dominion subsidy, we received \$925,262, or \$125,000 in excess of our estimate. Of this large sum woods and forests, of course, contributed much the larger part, viz., \$812,421. Crown lands yielded nearly \$44,000, and by way of rent we received \$46,940. When we remember that 1896 was, all things considered, an unfavorable year for the lumber interests, we may well be satisfied with our receipt.

DECLINING LICENSE RECEIPTS.

Year by year the aggregate receipts from liquor licenses are declining. They will continue to decline, of course, owing to the steady diminution in the number of licenses issued. The total number of licenses issued last year, tavern, shop, and wholesale, was 3,132. Of these, 2,779 were tavern, 337 shop and 26 wholesale. Two years ago the total number issued was 3,276, and four years ago it was 3,414. In our last financial year the aggregate receipt was \$268,172, as against \$270,809 of the previous year. Of this \$268,172 the sum of \$112,261 came from city municipalities, and \$155,551 from municipalities other than cities. The various municipalities in the Province received during the last license year \$267,072 as their share of liquor license fees. I have not included in these figures the amount received from brewers and distillers, viz., \$18,250. They have been paying a yearly license of \$250 each since 1891, making their payments under protest, on the ground that the Province could not legally exact payment. The number of brewers who took out licenses last year was 65, and the number of distillers eight. The amounts paid in this way by brewers and distillers have been earmarked and kept in a separate account until the constitutional question would be settled. As hon. gentlemen know, the point in dispute was argued before the Privy Council on the 17th day of November last, when it was announced that judgment would be given at the next sitting of the Committee, which, it was expected, would take place early in this month. This question of the competency of our Legislature to require brewers and distillers duly licensed by the Government of Canada to take out licenses in Ontario was raised twenty years ago. In 1878 the Supreme Court of Canada had decided in the case of *Severn v. the Queen* that the imposition of a license by the Local Government upon a person carrying on the trade of a brewer and the manufacture of beer, and who already held an excise license from the Dominion Government, was an interference with the exclusive powers of Parliament as to the regulation of trade and commerce, and could not be regarded merely as the exercise of a police power, and also that the right conferred upon the Local Legislatures to deal exclusively with shop, tavern, auctioneer and other licenses did not extend to licenses to brewers or other licenses which were not of a local or municipal character.

The decision of the Supreme Court has never been absolutely overruled until now, but the grounds on which it rested were from time to time weakened as the B. N. A. Act has become more extensively discussed and better understood.

In May, 1895, the Lieut.-Governor in Council of Ontario submitted to our Court of Appeal three questions for their consideration and hearing. The Court of Appeal on the 14th of January, 1896, unanimously determined : (1) That our enactment (sub-section 2 of section 51 of our License Act) requiring every brewer, distiller or other person duly licensed by the Government of Canada to first obtain a license under the Act to sell by wholesale the liquor manufactured by him when sold for consumption within the Province, was a valid enactment; (2) that the Legislature had power either in order to raise a revenue for Provincial purposes or for any other object within Provincial jurisdiction to require brewers and distillers to take out these licenses, and (3) that we need not exact one and the same fee from brewers and distillers. The brewers and distillers appealed to the Privy Council. The appeal was heard last November. A few days ago—February 6—the Judicial Committee of the Privy Council dismissed the appeal.

This very important judgment of the Privy Council, therefore, substantially declares that a license fee imposed upon a person carrying on the trade of brewer and wholesale vendor of ale is not indirect taxation, that it is *intra vires* Provincial legislation, and it affirms our power to impose a direct tax upon a bank or other commercial corporation carrying on business within the Province.

Local option by-laws are in force in sixteen municipalities in the Province, the same as last year, save that the by-law in the Township of Carnarvon, in the license district of Manitowlin, was repealed last March. These by-laws are now in force in Essex (town), South Norwich, West Garafraxa, Mariposa, Parry Sound (town), Pickering, Gainsboro', Lobo, Maxville (village), Storrington, Lanark, Tilbury East, Amaranth, East Garafraxa and East Luther. These by-laws cut off 36 tavern and 3 shop licenses, and to this extent only affect our revenue,

SUCCESSION DUTIES.

From succession duties I estimated that we would receive \$200,000. We really received a considerably less amount, namely, \$152,-

000. We received \$150,754 in 1894. One estate in 1895 yielded \$134,000, so that the receipt of that year was altogether abnormal. We have received thus far in all since 1892 by way of succession duties \$648,000, and our Act has been in force only five years. The \$152,000 received last year was derived from 99 estates. Of these 99 estates 24 were from the County of York (including Toronto), 9 from the County of Wentworth and 6 from each of the Counties of Brant, Middlesex, Northumberland and Durham. In six important counties, not to speak of the newer districts, among them Haldimand, Halton, Norfolk, Peterborough, Prince Edward and Prescott and Russell, there was not a single estate during the year which paid duty. Altogether 3,000 wills were probated, and 1,421 letters of administration were granted during 1896. The number of dutiable estates reported was 86, or one out of every 51 estates. The largest receipt of duties came from the County of York, the next largest from Carleton. After these Wentworth and Northumberland and Durham in order contributed the largest sums.

During 1896 we received in this way from the County of York over \$48,000, and from the County of Carleton more than \$32,000.

Our receipts, as I have said, from succession duties date from 1892. The aggregate receipt thus far exceeds \$648,000. It is interesting to note from what localities in the Province the greater part of this revenue is derived. As we would expect, the Counties of York and Carleton (and this for the most part means, so far as this question is concerned, the Cities of Toronto and Ottawa) contribute by far the largest amounts.

Carleton leads with a contribution of \$231,217; York comes next with \$152,570, then Oxford with \$48,169, then Wellington with \$21,625, and next in order Perth with \$21,544, and Wentworth, with \$20,200.

Nearly 60 per cent. of the whole revenue thus far received has come from the Counties of Carleton and York. More than one-third of the whole revenue has come from the County of Carleton. We received from a single estate in Ottawa last year \$50,000 more than 26 of our oldest settled counties have contributed altogether since the Act came into force. Some counties, among them Haldimand, Prescott and Russell, have not as yet reported a single estate

as liable to duty. And this is as we would expect, inasmuch as the number of large estates in the Province, say, those over \$100,000, is, comparatively speaking, very small. It will be remembered that under our Act neither a wife nor a child pays duty unless the estate exceeds \$100,000. It is stated that less than 2 per cent. of the families of Great Britain hold about three times as much private property as all the remainder, and that 93 per cent. of the people hold less than 8 per cent. of the accumulated wealth. In the United States 1 per cent. of the families holds more property than the remaining 99 per cent. Property of all kinds in Ontario is, I am glad to say, much more evenly distributed.

In addition to the receipt of last year of \$152,550. a further sum of \$12,830 was deposited with the Government by the executors of an estate in lieu of giving a bond. We will receive this sum at some future time as payment of duties, but it is not properly a payment belonging to 1896.

Since our Act came into force 20,530 estates have been reported to us. Of this large number only 285 have paid duty, being one out of every 72 estates. I have said that 99 estates last year paid duty, some of these estates being first reported prior to 1896. In all these, save six, collateral heirs inherited considerable portions of the estate and contributed accordingly to our revenue. Indeed in only twelve estates out of 99 did direct heirs, such as wife or child, pay anything, and three out of these twelve were valued at over \$400,000 each. We were concerned with 4,421 estates during the year, so that in only one estate out of every 368 did direct heirs pay succession duty. Do not these figures prove conclusively that our revenue is derived mainly from very large estates, that the vast majority of estates escape our Act altogether (51 out of every 52 in 1896), and that indirect or collateral heirs pay by far the greater part of the duty?

SALE OF ANNUITIES.

From our sale of annuities it will be noticed that we realized \$177,730. We have had in all under the provisions of our Act of 1884, which authorized the substitution of terminal annuities for railway aid certificates, eight sales, the first sale taking place in 1884.

In 1891 and previous years we sold on each occasion about \$14,000 worth of annuities. Last year and the two previous years

we sold only \$8,000 worth. The difference between these two amounts is the measure of the reduction in the amount of the railway aid certificates which mature from year to year.

In selling annuities, as the House well understands, we are not adding to our liabilities. We are, on the occasion of each sale, postponing, it is true, a part of the railway liability which was, by common consent of all parties in the Legislature at the time, created in the pioneer days of the Province.

We have expended over \$6,449,000 for railways, and no one disputes either the wisdom of incurring the liability or the justice and reasonableness of now spreading it over a long term of years.

A review of our eight sales of annuities shows how rapidly and satisfactorily we have been reducing this liability, and this in face of the fact that we are, session after session, aiding new railway enterprises in our remote and northern districts. To meet this railway liability accruing in 1884, for example, a sale of annuities realizing \$250,000 was required, while to meet the liability of last year a sale realizing \$177,000 sufficed. On two or three occasions I have asked the House to notice how successfully these sales have resulted. In 1892, when a sale was effected upon which the purchaser of the annuities realized 4 per cent. on his investment, we were all of the opinion that the transaction resulted very satisfactorily to the Province. In 1893 and 1894 we did not sell annuities inasmuch as we were able to meet our accruing railway obligations out of the year's receipts.

Our next sale was in 1895, and on that occasion the purchaser realized only $3\frac{1}{2}$ per cent. on his investment. The sale of last year was the most favorable of all for the Province. The purchaser of one-eighth of the annuities sold last year realized exactly $3\frac{1}{4}$ per cent. on his investment, while the purchaser of the balance, that is seven-eighths of them, realized a trifle over $3\frac{1}{4}$ per cent. on his investment. Or to illustrate the matter in another form, I might say that for every \$100 of annuities sold we realized in 1884 \$1,848, in 1892 \$1,993 and in 1896 \$2,220. Our payment in 1896 for railway aid by way of redeeming railway aid certificates and railway annuities was very large, viz., \$270,057, a larger payment, in fact, than we have been required to make since 1891. At the same time it was \$41,000 less than the payment of 1891, and the payment we

will be called upon to make this very year will be \$30,000 less than the payment of last year. Next year there will be a further reduction of \$29,000. In 1897, that is this year, we will be required to pay for this purpose \$240,250; in 1898, \$211,737; in 1899, \$197,305; in 1900, \$191,232; in 1901, \$159,426, and in 1902, \$143,269, or a reduction of nearly \$100,000 in five years.

PUBLIC INSTITUTIONS.

From our public institutions we received \$146,000, being \$45,000 in excess of our estimate, and \$41,000 more than the corresponding receipt of last year. The receipt from the Central Prison was not quite as large as that of last year. The increased receipt is mainly due to our close collections of arrears on maintenance account. Oftentimes in the past small sums remained on deposit to the credit of patients, and no payment was made on account of maintenance prior to their discharge or decease. A clerk was especially deputed last year to examine carefully all accounts with the view of closing them in all cases where it could be fairly done. The account of each patient was in this way examined during the year, and the amounts at credit paid over to the institutions entitled. The result has been the receipt of a considerable sum in excess of that ordinarily heretofore received. Indeed, our receipts from public institutions last year were noticeably larger than those of any previous year. The number of paying patients last year was 904, or less than one out of five of the total number. Of these pay patients 286 were in the Toronto Asylum, 218 in London, and 173 in Hamilton.

CASUAL REVENUE.

Our casual revenue, in which we include various separate items of receipt of a widely different nature, is growing year by year. In 1893 it was in round numbers \$72,000, in 1894 \$81,000, in 1895 \$85,000, and last year nearly \$98,000. We received a considerably larger sum than formerly by way of percentages of their fees paid to us by officials. For example, we received from Sheriffs and other judicial officers under 55 Vic., ch. 17, in 1895, \$3,822, while from the same officers under 57 Vic., ch. 9, we received in 1896 \$5,665.

It will be readily understood that surplus Surrogate fees would vary greatly according to the value of the estates which are being settled and administered from time to time. Our total receipts under

57 Vic., ch. 9, during the year amounted to \$13,192, of which the Registrars of Deeds paid \$6,907, the Registrars of Surrogate Courts \$2,592, and the County Court Clerks \$636.

We received last year from sale of law stamps only \$63,566, the smallest receipt in ten years, being \$11,000 less than in 1895, and \$20,000 less than that of 1894. The stamp office in Osgoode Hall sold stamps to the value of \$23,030 in 1896, as against \$27,730 in 1895, and \$31,645 in 1894. This must mean less litigation, a less volume of work in our Surrogate and other offices, and some will argue an approach to that extent to the days of the millenium.

The largely increased receipt from shooting and fishing licenses, viz., \$8,208, nearly five times as large as that of last year, is noticeable.

Hon. gentlemen will remember that one of our recent and by no means least important victories in the Courts concerns the matter of our jurisdiction over Provincial fisheries. A special case was referred by the Governor-General in Council to the Supreme Court covering in all seventeen questions and as many points of jurisdiction. The question is not a little important from a revenue standpoint. I hope that the increased jurisdiction to be given to us will be the means in the near future of materially adding to our revenue. The Dominion Government for the year ending June 30, 1895, received by way of fisheries revenue, which includes rents, license fees and fines from Ontario \$28,622, and expended by way of payment to wardens, overseers, special guardians, etc., \$22,610. The expenditure items do not, however, include departmental expenditures. The ultimate and definite settlement of this important question whether the case goes to the Privy Council or is otherwise settled, will be awaited with much interest.

Speaking generally of our casual revenue, some items of which I have been discussing, I confidently expect still further improvement from year to year.

EXPENDITURES, 1896.

Civil Government.....	\$250,032 05
Legislation.....	141,754 17
Administration of Justice.....	441,055 97
Education.....	702,457 01
Public Institutions Maintenance.....	796,567 62

EXPENDITURE, 1896.—*Continued*

Immigration	7,266 47	
Agriculture	192,011 98	
Hospitals and Charities.....	194,615 64	
Repairs and Maintenance.....	75,227 47	
Public Buildings	208,374 00	
Public Works.....	38,077 06	
Colonization Roads.....	102,719 24	
Charges Crown Lands.....	120,336 86	
Refunds	19,584 37	
Statutes Consolidated	5,198 23	
Miscellaneous.....	119,965 87	
	\$3,415,274 01	
Drainage Debentures.....	13,548 72	
“ “ (Tile).....	4,500 00	
Railway Aid Certificates	183,857 00	
Annuity “	86,200 00	
		<u>\$3,703,379 73</u>

I need not speak at great length of our expenditures. They will later on in the session be examined closely and with care by the Public Accounts Committee. We succeeded in keeping well within the sums voted by the House. Our expenditure under the head of Civil Government was nearly \$2,200 less than the appropriation. Coming to the cost of Legislation, it will be noticed that we have once more exceeded the appropriation. Leaving out, however, the over-expenditure in the one item of stationery, printing and binding, it will be found that we kept within our vote for Legislation. The over-expenditure for stationery, etc., was large, viz., \$14,267, and I have the same explanation to offer which I have given on former occasions. We printed nearly 12,000 more copies of reports for the departments last year than we did the year before. The public demand for some of these reports is insatiable. The cost of the paper alone exceeded that of the previous year by nearly \$1,800. Altogether the Departmental Reports last year cost us \$14,545, or nearly \$3,000 more than the cost of the previous year. We printed last year some reports which were not printed the year before, at an expense of about \$1 500. The total expenditures for the year for Legislation were \$8,300 less than they were in 1895. For Administration of Justice the vote was nearly exhausted. There was an over-expenditure of \$2,141 for criminal justice. Items such as this

are, of course, not controllable, and it is difficult to estimate closely concerning them.

Our expenditures for Education keep growing apace. We spent last year \$702,569, or more than one-fifth of all our revenues. The previous year we spent \$693,042, and in 1894 \$684,559, and in 1893 \$662,520. No one suggests that we can, consistently with growth, progress and improvement, curtail in this direction. It is well argued that the great commercial advance made by Germany in recent years is to be largely attributed to her educational advantages on practical lines, and the most prominent men in England to-day accept this view. In this extremely practical age it is said that science is the predominant partner in every branch of trade and manufacture. If we are, then, to develop trade, we must in every way possible encourage science, applicable, as it is, in one form or another, to every calling and profession. It would be false economy to even think of lessening grants to schools. We may well bend our energies, however, to devising plans by which these grants may be most wisely spent. If we can foster a spirit of scientific research in this young country, rich as it is in mighty possibilities, we may some day hope to win the material rewards which Germany is now so conspicuously reaping. For money thus spent we must certainly get a good return, rich and ample, a free education for half a million of children, as well as a superior education for all who earnestly desire it. The educational rate in other countries is similarly advancing. A few years ago in England it was only eight pence and a fraction per pound. The shilling has been reached, and it is year by year advancing.

We expended a little less than the educational vote last year. The over-expenditures were for departmental examinations and superannuated teachers. As the number of candidates increases the expense of the examination by way of printing, etc., must increase. Of course there is a corresponding increase on the other side of the account by way of the fees the candidates pay. The fees paid by the candidates for non-professional examinations amounted last year to \$34,661, being nearly \$7,000 more than the receipt of the previous year. We paid last year to superannuated teachers \$62,597. During the past twelve years we have paid to them the very large sum of \$732,375, being an average of \$61,031 a year. It is expected that there will soon be a reduction in this annual payment.

A COMPARISON.

We expended last year for the maintenance of our Public Institutions \$796,567, which represents about one-fourth of the total annual revenue of the Province. This is nearly \$40,000 more than we spent in 1893. There was an over-expenditure at the Brockville Asylum of \$6,500. This institution was but recently opened, and has as yet a smaller insane population than the older institutions. A larger staff, relatively speaking, is always necessary where the number of inmates is below the average. The per capita cost of maintenance in all new institutions here and elsewhere has been uniformly larger during their early years than afterwards. The per capita cost at Brockville was much lower in 1896 than in 1895, and we can expect a still further reduction. I will later on refer more fully to these reductions.

The low per capita cost of maintenance, comparatively speaking, in our asylums, is ample proof that we keep a vigilant watch over our expenditures. The cost per patient last year in our asylums was \$134.55. In 1895 it was \$142.65, in 1894 \$127.22, and in 1893 \$135.71. The cost will vary year by year, inasmuch as it depends to a large extent on the ruling price of staple articles consumed. A few cents more or less in the cost of articles of general consumption will affect the per capita cost to the extent of several dollars a year. The cost of coal, for example, varies considerably, and in some seasons much more of it is consumed than in others. Our cost per patient last year was, as I have said, \$134.55. What was it in similar institutions similarly controlled, officered and provided for in the States nearest to us? In the Buffalo Hospital for the Insane it was \$183.56 per patient; in Rochester, \$233.44; in the St. Lawrence Hospital (New York), \$219.85; in the Hudson River Hospital, \$204.80; in Utica, \$199.82, and in Pontiac, Michigan, \$175.41.

Our expenditure for Agriculture, although kept within our vote, was the largest we have ever incurred. Last year it amounted to more than \$189,000. The previous year it was \$181,233.

The gross expenditures for Repairs and Maintenance, for Public Works and for Public Buildings were in each case, it will be noticed, substantially less than the sums the House voted for these purposes.

Our expenditure for Hospitals and Charities was the largest the Province has as yet incurred. Our grants last year amounted to \$194,615, as against \$190,221 in 1895, and \$182,612 in 1894. Up to the present time we have given grants in aid to fourteen counties for their County Houses of Refuge, or Industrial Homes, amounting in all to \$53,750.

In leaving the question of our expenditures for the past year I wish especially to remind hon. members that although we have neglected no public service, although we have increased our grants in various directions and incurred special and exceptional expenditures from time to time, we have succeeded in steadily reducing our total annual expenditures year by year. I give the figures for the past six years:—

REDUCED AGGREGATE YEARLY EXPENDITURES.

Our total expenditure in 1891 amounting to \$1,158,159; in 1892, \$4,068,257; in 1893, \$3,907,145; in 1894, \$3,842,505; in 1895, \$3,758,595; in 1896, \$3,703,379. This represents a reduced annual expenditure of \$455,000 in five years, or an average of nearly \$100,000 a year. In the face of these figures, hon. gentlemen opposite will be compelled to admit that we have earnestly sought to keep a vigilant watch over the expenditures of the Province, and that our efforts have been signally successful.

I may at this point be allowed to say a word or two concerning our late leader in this House, Sir Oliver Mowat, now Minister of Justice at Ottawa. Were I to attempt, sir, to summarize the history of the Province almost since Confederation, his name would be found in written characters large and bright on its almost every page. What a conspicuous space he must continue to fill in such a history for all time to come, and, what is better, it is as honorable as it is conspicuous. With what consummate tact he ever guided our deliberations in this chamber; how watchful he always was of the dignity of our proceedings. Earnest at all times and exhaustive and forceful in debate, he never indulged in recrimination, or for a moment even disregarded the amenities of public life. His untiring industry was a constant source of rebuke to much younger men. His affable manners disarmed his opponents and endeared to him his friends. On all occasions judicial in manner, exceptionally free from prejudice, ever tolerant of the opinions of others, he eagerly

grasped at suggestions from all quarters, and to this one fact, I doubt not, we must in no small degree attribute his phenomenal success. But it was not of considerations such as these I intended to speak. I wish rather, very hurriedly of course, to point to the growth and development of the Province in all directions under his exceptionally long and sagacious leadership.

SIR OLIVER MOWAT.

In October, 1872, Sir Oliver assumed office. In that same year Mr. Gladstone was First Minister in England, and since that date England has had eight different Governments and as many Premiers. Lord Lisgar was our Governor-General in 1872, and we have had in the interval five Governors of Canada, viz: Lord Dufferin, the Marquis of Lorne, the Marquis of Lansdowne, Lord Stanley and Earl Aberdeen. When Sir Oliver first assumed office Sir William Howland was our Lieutenant Governor. During his long Premiership we have had in all six Lieutenant Governors. From 1872 to 1896 the Province of Quebec has had eleven Premiers, Nova Scotia six, Prince Edward Island six, New Brunswick five, Manitoba five and British Columbia eleven. Sir Oliver was continuously Premier of Ontario during the successive Administrations of General Grant, Hayes, Garfield, Arthur, Harrison and Cleveland. Do not these facts of themselves illustrate most forcibly how fortunate this Province has been in retaining for so long a period a leader who possessed in such a remarkable degree all the qualifications of highest statesmanship? From 1872 to 1896 our Province has progressed safely and with great strides in all directions. During that period our population has increased by 600,000 souls. We have more than doubled our territory by adding to it over 118,000 square miles, an area larger than all Italy, larger than Austria, more than twice as large as New York State, larger than the Transvaal, more than twice as large as Switzerland, Greece and Denmark put together, and nearly as large as Great Britain and Ireland.

DEFENCE OF OUR RIGHTS.

Nor must we forget what a struggle we had both in this Legislature and in the courts to secure and hold our own in this regard, and we all agree that our victory was mainly due to the astuteness,

the legal skill and adroitness and the indomitable energy of Sir Oliver Mowat. And we have heretofore failed to appreciate, Sir, the immense value of the victory, inasmuch as the great wealth of the added territory is only (now being partially disclosed. We were then contending, be it remembered, not for useless barren wastes, such as the swamps of Venezuela, but for a vast possession, the mineral wealth of which alone bids fair to make it one of the richest and choicest in the world.

In 1871, we had in Ontario nineteen cities and towns having a population of over 5,000; now we have 24. In the interval the framework of a new and larger Ontario, our promising Northland, has been step by step constructed. In 1872 all the settlement north of Barrie was scattered and the population sparse. Orillia was then a straggling village of 231 people. It is now a town of considerable promise, with a population exceeding 5,000. You look in vain in the census of 1871 for either Bracebridge or Gravenhurst, while the country north of these localities was then a wilderness known only to the hunter and the lumberman. Neither Port Arthur nor Fort William had then a corporate existence. Between them they now have an enterprising and energetic population of about 6,000. We now regard Sudbury, Sault Ste. Marie, Gore Bay, Manitowaning, North Bay, Little Current, Rat Portage, Thessalon, Huntsville, not to speak of several others, as centres of much promise. When Sir Oliver first took office they were all of them for the most part unheard of and unknown.

SINCE CONFEDERATION.

Prior to Confederation we had only 1,447 miles of railway in this Province. We have built since Confederation 5,095 miles. The total mileage constructed and in operation in the Province at the present date is 6,542 miles. The Province has given very substantial financial aid to 1,977 miles of road, amounting in the aggregate to \$6,449,864. Who can even pretend to estimate the varied results of this large expenditure, direct and indirect, as regards the prosperity of the Province and the timely development of its resources generally? In 1872 Ontario and Quebec together had only 2,716 post offices. Ontario alone has now 3,188. Last year in Ontario alone there were forwarded through these offices 73,650,000 letters. The number for

Ontario and Quebec together in 1872 was only 25,500,000. The deposits in our banks during this period have increased four times over, and the volume of fire and life insurance (I am now speaking of all Canada) has been multiplied approximately threefold and fivefold respectively. In 1872 we had 4,490 Public Schools, 5,222 Public School teachers, and 433,256 scholars attending them. In 1895 we had 5,660 Public Schools, 8,158 teachers, and 444,778 scholars, or an increase of 1,170 schools, 2,936 teachers and 11,522 scholars. The Provincial grant to Public Schools in 1872 was \$212,991, while in 1895 it was \$274,347, an increase of \$51,356. The municipal grants and assessments for their support in 1872 amounted to \$1,722,358, and in 1895 to \$3,117,545, an increase of nearly a million and a half of dollars. The amount raised through local sources over and above these grants and assessments for their maintenance was in the former year \$526,111, and in the latter year more than double that amount, viz., \$1,144,862. We had 25 more High Schools, 331 more High School teachers, and 16,694 more scholars attending them in 1895 than in 1872. The amount of Provincial aid to High Schools is now \$100,000 a year or \$21,000 more than it was in 1872. This grant, unlike the amount of annual aid to Public Schools, is stationary, and is not to be increased from year to year. The amount raised locally for High Schools was in 1895 \$664,728, being more than four times the amount thus raised in 1872. We did not establish Kindergarten schools until 1882. Now we have 90 Kindergarten schools, and 9,400 scholars attending them. The Ottawa Normal School was first opened in 1875, and since that year 3,370 teachers have been trained within its walls. We had no County Model Schools until 1877. Since that time they have given the professional training so long needed, and which still calls for improvement and extension, to 24,568 teachers.

HIGHER EDUCATION.

During these twenty-four years our higher institutions of learning also have broadened out and attracted to their halls a rapidly increasing roll call of students. These institutions, I need scarcely say, have done much to mould our history. In them have been trained thousands of our most successful High and Public School teachers.

As was aptly said long ago, their high function conjointly with the Public Schools is here, as elsewhere, to make the people fittest to

choose and the chosen fittest to govern. But I wish specially to speak of their expansion and growth during Sir Oliver's Premiership. Take Toronto University for example. It had 70 matriculants in 1871 and 298 in 1895. Its graduates numbered 41 in 1871 and 376 in 1895. The total number of students in attendance was 244 in 1871 and 695 in 1895. There has been a similar steady growth in Queen's, Victoria and the other sister institutions. Education in matters of agriculture, the vast importance of which we all recognize, has been systematically stimulated in every way possible, and especially in recent years. Had this not been done earnestly and successfully we must all admit that the stress of hard times would have been much more keenly felt throughout the Province. Our grants in aid of agriculture have been multiplied more than three and one-half times over since 1872. In that year our work was limited almost exclusively to votes in aid of the agricultural societies and similar associations, amounting in all to \$73,577. Last year our total vote amounted to \$192,000. In 1873 the College was opened at Guelph, involving an expenditure of \$74,500. In 1877 \$23,354 was spent for further buildings at Guelph and \$17,366 for maintenance of the College, and again in 1880 \$21,797 was spent for increased building accommodation, the cost of maintenance for the year having increased to \$21,988. The important work, so fruitful in good results, of the Agricultural Commission was commenced in 1880 and continued in 1881 and 1882 at a total cost of \$89,875. The reports of this Commission have been perhaps more eagerly sought for than any other reports ever printed by the Province. The Bureau of Industries was opened in 1882, and in 1885 the excellent work of Farmers' Institutes commenced. In 1888 we have a completely new departure, the wisdom of which after-events have more than justified. In that year the Department of Agriculture was created and a member of the Government placed at its head. This distinctively marks the commencement of a new era, and from this time a greatly increased interest has been manifested in the discussion and treatment of agricultural topics in this House, in the Press and elsewhere.

We spent \$5,248 on Farmers' Institutes alone in 1889; and in the same year a further expenditure of \$28,981 was incurred in connection with the College buildings at Guelph. In 1890 we began to publish and distribute the reports of the Department on a large scale, and most useful information has in this way been widely dis-

seminated. We all know that these reports and bulletins, timely printed and opportunely circulated, are doing a valuable educational work.

ENCOURAGING DAIRYING.

In 1891 dairy work was for the first time undertaken at Guelph, and the Travelling Dairy then commenced its useful operations. The Dairy School was opened the following year. We cannot possibly over-estimate the great importance of this branch of agricultural work to the Province, and we may well point with no small degree of pride to the reputation our dairymen have won for themselves both at home and abroad. In 1892 was added \$10,000 to our grant to Agricultural Societies, an increase of \$100 a year for each Society. That the present Minister of Agriculture has intelligently and energetically prosecuted his all-important work no one pretends to question. Since 1895 a pioneer dairy farm has been put in successful operation in Algoma. Dairy schools have been opened in Kingston and Strathroy, the School at Guelph has been widened and enlarged, the work of the Farmers' Institutes has been increased, systematic, careful instruction in fruit-spraying has been imparted and experimental fruit stations established. What country, I want to know, has made a more determined, systematic, persistent or successful attempt to promote the varied interests of agriculture that this brief outline reveals? In 1872 we spent \$81,612 for the promotion of agriculture, while last year we spent \$192,042.

PUBLIC INSTITUTIONS.

Our public institutions have trebled in their work, value and importance since 1872. Indeed, some of the most important of them have been erected and opened for their work of charity and benevolence since that date. For example, the Asylum at Hamilton which now provides a comfortable home for nearly 1,000 patients, and which costs us each year for maintenance alone \$114,000, was first opened in 1876. It has, of course, since that date been from time to time enlarged. The Asylum at Mimico, with its main building and twelve cottages, erected at a cost of \$571,000, maintained at a yearly charge of \$72,000, and caring for 600 patients, was opened in 1890, and the Brookville Asylum, with its 300 patients, also built after the cottage system, and costing \$433,-

000, was first opened in 1894. We spent last year for maintenance on the Brockville Asylum \$48,700. The new Orillia Asylum cost the Province \$503,000. It has now more than 600 inmates, and their yearly keep costs us \$61,950. The Central Prison was opened in 1874, and the Mercer Reformatory in 1880. The buildings in connection with these two institutions cost us \$1,029,000, and they impose a yearly charge upon the funds of the Province of \$84,000. In 1876 in our public institutions 1,812 inmates were cared for. In 1896 the number had increased to 4,749. The cost of maintenance in 1876 was \$368,046, and in 1896 \$796,590. These institutions are, we all agree, highly creditable to the Province. We can confidently invite comparison in this regard with older countries, even the richest and most favored. You will find elsewhere, it is true, buildings more costly and in an architectural sense more ornate and imposing; you will find lavish expenditures for equipment and furnishings, and in the great majority of cases, the number of inmates and volume of work done being considered, a much larger staff of officials enjoying a higher scale of remuneration than here; but nowhere, Sir, I venture to say, will you find the unfortunate classes of the community more comfortably housed, more humanely treated, or better cared for professionally or otherwise. We have a grave responsibility in this regard. We would not shirk it if we could. Humanity compels us to care as best we can for all our dependent insane. This is the first consideration. The cost of the service is serious, and it is growing, but that is a secondary consideration, and whatever it is or whatever it may become with increasing numbers to be cared for, we will keep in mind the oft-quoted saying that "Nations are never impoverished by the munificence of their charities." The Commissioners in Lunacy for England and Wales in their last report state that the total number of officially-known lunatics, idiots and persons of unsound mind was more than 96,000, an increase of over 2,400 over the previous year, the largest yearly increase as yet recorded. More than nine-tenths of these were located in what they call pauper asylums. The total number of insane and idiotic in the United States is given as about 202,000. Everywhere public prejudice against asylums and asylum treatment seems to be dying out, and this necessitates much ampler accommodation for the treatment

of defective classes. Hereditary influence is assigned as the most potent factor in causing insanity. A very large percentage is attributable to intemperance in drink. In England this last-named cause is charged in the last report with more than 20 per cent. of the male and more than 8 per cent. of the female cases. In all asylums a considerable percentage of the inmates, say, 5 or 6 per cent., are merely old age patients. It is worth considering whether we could not in some way more economically than now care for those of our patients whose condition is that of senile decay and nothing more, having the same regard, of course, as we now have for their every comfort. New York State, following our example, now cares for all its indigent insane, save those of two counties, and these two counties are asking to be relieved of the charge. When these two counties turn in their insane to the care of the State its annual appropriations for maintaining its indigent insane will exceed in amount the appropriations for any other single department of State government. In eighteen States of the Union indigent lunatics are cared for by the municipalities, among them Iowa, Illinois, Massachusetts, Michigan and New Jersey. In only seven or eight of the United States has the principle of State care been fully adopted, among them Ohio, Minnesota and California. In thirteen of the States the insane are cared for in part by the municipality and in part by the State. In the Province of Quebec the local municipalities assume half the burden of their maintenance, and in Nova Scotia the counties pay four-fifths of the cost, the Province making a contribution of \$12,000 a year.

Our asylum population at the close of 1893 was 4,240. It reached 4,406 in 1894, 4,614 in 1895 and 4,723 in 1896, an increase of 120 a year. Year by year since 1871 there has been a steady increase in our asylum population. It has more than trebled since 1871. The daily average population has also steadily increased. It was 4,709 last year. In 1871 it was only 1,366. The admissions last year numbered 198 less than those of the previous year. The number last year was 850, and the number the previous year was 1,048. During the five years ending Sept. 30th, 1895, the average annual number admitted was 924.

The constitution itself under which we have enjoyed quiet and prosperity has been to a great extent settled and defined in Sir Oliver

Mowat's time and largely through his individual, untiring and personal efforts. To recall all the matters of litigation which put to rest first one disputed point of jurisdiction and then another would take much more time than I have at my command. I must content myself at present with this hurried summary, meagre and partial as it is, of the progress and advancement, substantial, steady and continuous, which we have made during the long, brilliant and distinguished term of Sir Oliver's Premiership. Were he with us this afternoon, he would, I know, eagerly be the first to bear witness that in all that he has been thus permitted to accomplish for his Province during the last nineteen years he was at all times and on all occasions ably aided and seconded by his tried and trusted lieutenant, the present Premier and Attorney-General, who now leads this House.

INTERPROVINCIAL ARBITRATION.

In the session of 1891 I announced to the House that arrangements, as the result of a conference, had been made for an arbitration concerning matters of account in dispute between the Provinces and the Dominion, that our Attorney-General had introduced a Bill providing for an arbitration and that the Quebec Legislature had passed an Act containing similar provisions. On that occasion I outlined, very briefly of course, some of the leading questions in dispute and referred to the various attempts which had been made from time to time for their adjustment. In 1894 I referred again to the subject and alluded to the first award of the arbitrators, dated November, 1893, which inter alia in effect restored to the Province as an interest-bearing asset the sum of \$2,848,289, being the amount of additional subsidy granted to us by 47 Victoria, chapter IV. This sum appeared as one of our assets in our financial statements for the year 1884 to 1888 inclusive. That it did not appear in subsequent statements was due to an agreement entered into between the Dominion and the Province in October, 1888. The terms of this agreement and the circumstances leading up to the decision of the arbitrators which set it aside and restored to us the additional subsidy referred to I have already explained in my statement of 1894. In 1895 I very briefly continued my references to the proceedings of the arbitration, and last year I gave a hurried summary of them and specially referred to the second award, dated August 31st, 1894,

which deals with what we call the interest question, involving a large sum of money ; to the appeal to the Supreme Court by the Dominion against certain provisions of the first award ; to the fact that this appeal had been argued in November, 1894, and that a judgment dismissing it was given in May, 1895. I also alluded to the claim of the Dominion, involving a very large sum of money, against the late Province of Canada, and the Province of Ontario as well, on behalf of the Ojibway Indians for arrears of annuities and for increased annuities alleged to be payable under the Robinson treaties of 1850. The award dealing with these Indian claims was made in February, 1895. In some respects it was very satisfactory to the Province. I reminded the House also that we appealed to the Supreme Court from parts of this award, viz., paragraph six, which fastens the ultimate burden of payment of the increased annuities after the union upon Ontario alone, on the ground that the ceded territory became the property of Ontario under section 109 of the B. N. A. Act, and that it was subject to a trust for the Indians ; and also to that part of paragraph nine which says that any payments of increased annuities properly made by the Dominion since the union are to be charged against Ontario as of the dates of payment. Hon. gentlemen will remember that this appeal was argued in May, 1895, and the judgment in our favor sustaining the appeal was given in December, 1895, and that the Dominion obtained leave to appeal against this judgment to her Majesty's Privy Council, and that the Province of Quebec became also a party to the appeal. These appeals came on for hearing at London, England, on the 11th and 12th days of last November, and judgment was given on the 9th of December following, dismissing them and confirming the judgment of our Supreme Court, whereby Ontario is wholly exonerated as regards the claim by the Dominion to fasten sole liability upon this Province. In our behalf it has always been contended that if there were any liability it was a joint liability with Quebec. It is understood that the Dominion intends to formulate a new claim against the two Provinces as jointly liable.

THE COMMON SCHOOL FUND.

Several very important decisions have been given in regard to the Common School Fund. It will be remembered that the Act of 1849 and an Order in Council in pursuance of it set apart 1,000,000

of acres of land in Upper Canada for the purposes of this Fund, and further provided that all moneys which would be received from the sale of the lands should be set apart so that when invested it would yield a revenue of \$400,000 per annum. The land has nearly all been sold, and the total aggregate resulting, or to result, from the sale of the 1,000,000 acres will not produce this sum. Quebec claimed that Ontario should make up this deficiency, the amount being \$1,452,000. This matter was argued in July, 1895, and a unanimous judgment given by the Arbitrators on February 5, 1896, disallowing the claim. Then Quebec claimed that the transfer of \$124,685 from the Common School Fund to the Upper Canada Improvement Fund was contrary to law. Ontario contended that the transfer was expressly authorized by the old Award of 1870, and was valid. On this point the majority of the Arbitrators have decided in favor of Ontario. The findings by the Award of February 6th, 1896, have been the subject of appeals to the Supreme Court by the Province of Quebec and also the Province of Ontario. The questions raised by these appeals are briefly as follows:—Quebec complains that the award of February 6th, 1896, which recognizes the validity of the Ontario claim to the Upper Canada Improvement Fund, for collections prior to Confederation, as well as collections after, as awarded by the first Arbitrators on the 3rd of September, 1870, is invalid, because the Arbitrators of 1870 had no power, as Quebec always claimed, to deal with the Upper Canada Improvement Fund in the manner provided by the Award of 1870, inasmuch as the Award was in that respect in excess of the powers given the first Arbitrators under the B. N. A. Act, and therefore wholly void. The complaint of Ontario against the Award of the 6th of February, 1896, arises thus:—That if the Award of 1870 is now open to review, because the Arbitrators then exceeded their powers, it is open to Ontario to contest the legality of the Award of 1870 in respect of the Common School Fund, on the ground that the object for which the lands, now of Ontario, were set apart in 1849 for the Common School purposes of the late Province of Canada came to an end in 1867, and therefore Quebec can have no interest in the Common School Fund or Common School lands. This appeal is now ready for argument before the Supreme Court, and will be heard in due course.

I also stated last year that the accountants named by the Arbitrators had under examination the validity and verification of the

items stated in the accounts of the late Province of Canada from 1867 to 1892. An estimate of the change effected in the account as a result of the accountants' report and the Arbitrators' Award of the 20th of June, 1896, on the several items referred to the Board, arising on the accountants' report, has been to alter the state of the Province of Canada account as it existed on the 1st of July, 1873, from a debit balance of \$6,561.76, as it then stood, to a credit balance estimated at \$187,984, besides making material gains in favor of the Provinces of Ontario and Quebec on items entering the account after the 1st of July, 1873. These are the most important, but by no means all of the questions which the Arbitrators have thus far had before them.

ASSETS AND LIABILITIES.

1. Direct Investments :—

Drainage, debentures invested 31st December, 1896..	\$170,132 88
Tile, do do do ..	129,070 15
Drainage works—municipal amounts	90,183 31
	\$ 389,386 34

2. Capital held and Debts due by the Dominion to Ontario, bearing Interest :—

U. C. Grammar School Fund (2 Vict. cap. 10)	\$ 312,769 04
U. C. Building Fund (18 sect., Act 1854) ..	1,472,391 41
Land Improvement Fund (see award)..	124,635 18
The Capital under Act 1884 (award '93)	\$2,848,289 52
Less estimated balance due the Dominion	2,000,000 00
	848,289 52
	2,758,135 15

Common School Fund :—

Collections by Dominion	1,520,950 24
Collections by Ontario, paid over to the Dominion in 1889 and 1890, after deducting Land Improvement Fund and 6 per cent. for collections	936,729 10
	\$2 457,679 34
Ontario's share according to population, 1891	1,441,882 90
	4,200,018 05

3. Bank Balances :—

Current Accounts	204,320 53
Special Accounts	22,500 00
	226,820 53
	\$4,816,324 93

LIABILITIES OF THE PROVINCE AT PRESENT PAYABLE.

1. <i>Balance due to Municipalities re Surplus Distribution</i>	\$ 1,291 30
2. <i>Land Improvement Fund</i> :—	
Balance due to municipalities under 45 Vict. cap. 3, and 49 Vict. cap. 6.	\$3,256 57
Balance due to municipalities under 54 Vict. cap. 9.	2,771 64
	6,028 21
3. <i>Quebec's Share of Collections by Ontario on Account of Common School Lands, in 1890-91-92-93-94-95-96</i> :—	
Collection on lands sold between the 11th June, 1853, and 6th March, 1861.	\$63,968 83
Less 6 per cent. cost of management.	3,838 13
	60,130 70
Less one-quarter for Land Improvement Fund.	15 032 67
	\$45,098 03
Collections on lands sold since 6th March, 1861.	19,780 56
Less 6 per cent. cost of management.	1,186 83
	18,593 73
	\$63,691 76
Quebec's proportion according to population, 1891.	26,324 77
Total	33,644 28
Surplus of assets after deducting liabilities presently payable ...	\$1,782,580 64

I need not dwell on the subject of our assets and liabilities. The schedules in the hands of hon. gentlemen fully explain them, consisting as they do of items with which we have been long familiar.

We have less money invested in drainage debentures than we had a year ago. The receipts exceeded the investments. The items of capital, consisting of trust and other funds, do not vary from last year. I have already said that I might reduce the unascertained balance due the Dominion, which in the schedule is fixed at \$2,000,000, by at least \$250,000, but inasmuch as a final settlement is, let us hope, not far distant, I will leave it as stated last year, preferring always to understate rather than overstate my case. We had, at the close of the year to our credit in the Banks \$226,820. Our credit balance at the beginning of the year was \$437,580, and to the extent of the difference between these two sums we have during the year drawn upon our Bank deposits. But we spent for public buildings alone in 1896 \$208,000, so that we have in that way, not to speak of other ways, substantially increased our assets.

During the lifetime of this Parliament, say, the years 1894, 1895 and 1896, we have spent on public buildings \$875,000, and to that large extent we have added to our permanent assets. We have, it is true, less money on hand, but we have these valuable buildings, which we imperatively needed, in its stead. We have largely increased also, as I have already stated, our annual votes in aid to education, to agriculture, to hospitals and for the maintenance of our public institutions. We have as heretofore omitted from our statement of assets, *inter alia*, very valuable properties, such as blocks of land in the heart of this city, all our public buildings, and the unpaid balances on Crown lands. All these represent a sum of money at least three times as much as the present value of all our future railway liability. We have no other liability, present or future, save the small sum of \$33,000 given in the schedule. Our direct interest-bearing investments, such as the drainage debentures we hold, our trust and other interest-bearing funds, with our credit Bank balance, amounted at the close of 1896 to \$4,816,000. Deducting from this sum the \$33,000 just alluded to, we have the large surplus of more than \$4,782,000. (Applause.)

ESTIMATED RECEIPTS, 1897.

Subsidy.....		\$1,196,872 80
Interest on Capital held, and Debts due by the Dominion to Ontario.....	\$214,000 00	
Interest on Investments.....	40,000 00	
		\$254,000 00
<i>Crown Lands Department:—</i>		
Crown Lands.....	\$130,000 00	
Clergy Lands.....	5,000 00	
Common School Lands.....	13,000 00	
Grammar School Lands.....	2,000 00	
Woods and Forests.....	750,000 00	
		\$900,000 00
<i>Public Institutions:—</i>		
Toronto Lunatic Asylum.....	\$42,000 00	
London.....	18,000 00	
Kingston.....	10,000 00	
Hamilton.....	18,000 00	
Mimico.....	5,000 00	
Brockville.....	2,000 00	
Orillia.....	3,500 00	
Reformatory for Females.....	2,400 00	
" Boys.....	600 00	
Central Prison.....	26,000 00	
		\$127,500 00

ESTIMATED RECEIPTS, 1897—*Continued.*

Education Department.....	\$65,000 00
Casual Revenue.....	105,000 00
Succession Duties.....	175,000 00
Tavern and Brewers' Licenses.....	290,000 00
Law Stamps.....	70,000 00
Algotha Taxes.....	3,000 00
Assessments, Drainage Works.....	20,000 00
" Insurance Companies.....	3,000 00
" Removal of Patients.....	6,000 00
Total.....	<u>\$3,215,372 80</u>

My estimate, as hon. gentlemen will notice, of the receipts of this year (1897) is \$3,215,372. I am confident that the actual receipt will exceed my estimate. Such has been invariably the case in the past. The actual receipt for 1896 considerably exceeded the estimated receipt. I am safe in placing Crown lands at \$900,000, and I have good reason to believe that the actual receipt in all the other important sources of revenue will more than make good my expectation.

My estimate of the expenditure of this year is \$3,516,068. This is only an estimate. We will, as hon. gentlemen well know, keep within this estimate. We spent last year, for example, \$80,000 less than the House voted. We ask this year larger votes for Agriculture, for Education and for Maintenance of our Public Institutions. As the dependent insane in our care increase in number, so must the cost of maintenance increase. We feel called upon to ask for several special votes, such as \$6,000 for famine relief in India, \$40,000 for statute consolidation (a work we undertake only once in ten years), \$11,000 for colonization purposes, \$10,000 for special surveys in mining districts, and \$35,600 in aid of roads in mining districts.

A BRIGHT OUTLOOK.

A word or two, Mr. Speaker, of a general character and I am done. It would seem, Sir, and we all rejoice because of it, that we are on the eve of better times, that the long period of depression, widespread and severe, is about spent, and that returning prosperity is at hand. I do not wish to be understood even to suggest that certain very important events which happened in this Dominion

last June of themselves led to this result. That kind of argument is to be heard much more frequently from hon. gentlemen opposite than from those who sit on the Speaker's right. We on this side of the House do not believe that prosperity can be summoned and grasped by the mere waving of a legislative wand. We do not believe in short cuts to the millennium through devices of legislation. However this may be, Sir, we all believe that the steady and prudent development of our mineral resources would certainly prolong and hold a period of prosperity, should it come.

MINERAL WEALTH OF ONTARIO.

We are no longer alone these days, though such was largely the case in the past, in believing that our mineral wealth is as varied and inexhaustible as it is rich. The work of development of the last year has attracted world-wide attention to our mineral fields. Everyone recognizes the fact that in the mines and mineral deposits of England reside the main sources of its industrial power. An Englishman thinks that by taking stock of the mineral resources and annual output and ratio of increase of the coal and iron raised in the kingdom, he can best form a correct idea of the probable course and term of its greatness as a commercial and industrial nation. His commercial rivals admit the truth of his reasoning, and place in the schedule of England's assets her coal and iron as very important funds of national capital.

Under the Ontario Letters Patent Act, 29 mining companies were incorporated during last year. Only 24 such companies were incorporated during the four preceding years. Our production of gold bullion has increased rapidly. In 1893 it was 1,695 ounces, worth \$32,960; in 1894 it was 2,022 ounces, worth \$32,776; in 1895 it was 3,030 ounces, worth \$50,281, and in 1896 it was 7,154 ounces, worth \$121,848. The product has been increased fourfold in amount and value in four years. Until the fall of 1895 only one mill of ten stamps was treating gold ores in this Province. Since then two mills of ten stamps each have been working regularly, and four others, with an aggregate of 45 stamps, at intervals, on ores of mines in process of development. A mill of twenty stamps at the Foley Mine, Seine River, was expected to commence work last week, and during the present year there is a good prospect for at least five

additional mills in the north-western and northern parts of the Province being built and completed, with an aggregate capacity of 95 stamps. Besides these, a mill for treating refractory gold ores by an entirely new process is nearly completed in Hastings County, which will have a capacity of 75 tons per day, the equivalent of a 40-stamp mill.

I have been speaking only of mines in actual operation. Outside of these a great deal of development work has been done, which must soon lead to very important results.

A POLICY OF ECONOMY.

To maintain a constant and vigorous check over all our expenditures, great and small, to avoid useless or wasteful outlay of every kind, is, we all contend, a most important matter. To maintain the highest possible efficiency in every department of the public service, adequately and promptly to meet present wants and judiciously to provide for future needs, is at the same time an equally important consideration. We have, therefore, a dual aim, a dual problem, so to speak, constantly before us if we are to deal in a wise and appreciative way with the finances of the Province. That our critics in this House and out of it are not candid in their avowed desire to curtail expenditures I do not for a single moment contend. Nor do I wish to be understood even to suggest that they are unwilling loyally to sustain us in our firm and unalterable determination to provide adequately and in every possible way for the ceaselessly growing needs of a progressive Province. What I do say, however, is that in all their criticisms of our financial administration, if we keep this dual object in view, viz., closest economy and highest efficiency of service, they are invariably attempting to make bricks without straw. At any rate the supply of straw thus far on hand has been all too limited to admit of their being either seriously or profitably occupied for any considerable length of time. Nor do I say, Mr. Speaker, that their criticisms have not been at times of some assistance to the Government. I ask them, therefore, to allow me to remind them that any and all criticism which loses sight of the all-important fact that a constantly growing and progressive Province and a fixed and stationary expenditure are incompatible the one with the other, can neither be helpful to the Government nor of any public benefit.

I ask rather for suggestions pointing to a possible and practicable diminished expenditure which would in no sense cripple the efficiency of the public service, for suggestions which, even though they involve wholly new expenditures, would result beneficially to the Province either by developing its resources or otherwise, as well as for suggestions which would aid the Government in maintaining on proper, reasonable and judicious lines and increasing as well, if possible, the receipts and the income of the Province. I hope that my friends opposite to me will admit that this is a fair and reasonable statement of the case. The regular stereotyped and time-honored routine of a Leader of the Opposition is of course to suggest that the Government of the day has in some way or another mismanaged public business. I ask my hon. friends opposite to rise above this routine. I do not by any means complain of their being critical. On the other hand, I ask them to be more than critical. I ask them to be suggestive as well as critical. A well-known Englishman said: "We English are not very careful about the outlay of money, provided we are sure that we get twenty shillings' worth for our pound." The idea thus neatly expressed is as true of Canada as it is of England.

FAIR CRITICISM INVITED.

I wish again to remind those who, in discussing our finances, dilate upon our increasing expenditure as well as upon our inelastic and almost stationary revenue, and delight to draw doleful conclusions as to our future, that this Province has expended in aid of railways alone \$6,449,000, and for the erection of hospitals or asylums in which we provide the necessaries and some of the comforts of life for over 4,000 of our afflicted classes, \$4,010,000, not to speak of other millions expended here and there in promoting divers equally deserving objects. And I would ask them now to point to even one line of railway to which, having regard to the wide general public interest, we could have justly or prudently refused financial aid, or to name a public building which was erected unnecessarily or one day too soon. The public interest loudly and urgently called for these railway grants, and the cause of common humanity as well as the honor and good name of our fair Province inexorably demanded the erection of the various buildings and institutions to which I have referred. Mere general, vague declamation or criticism, I repeat, counts for

nothing. We have as best we could cut our coat according to our cloth. It is a truism to say that we must look not only at the money we have to spend, but also at the needs we have to meet. Easy-going indifference to cost is, of course, to be deprecated, and it is by no means a characteristic of the Liberal party. In what country, let me ask, enjoying progressive self-government, is it ever seriously argued that expenditures can remain stationary and the work of progress and development be at the same time successfully prosecuted? Only last year in England, and it was a phenomenally bright financial year for the nation, be it remembered, a Tory Chancellor of the Exchequer warned the House of Commons that if the present plainly manifest disposition to widen and enlarge public services were to continue, they would soon find themselves face to face with the alternative of either imposing new taxation or stopping that reduction of the public debt which is the sheet-anchor of their credit with the world. He forcibly reminded the House that in the last twenty years their population had increased 19 per cent., that the yield of the four great heads of taxation, outside of income tax, had gone up by a less percentage, viz., by 16 $\frac{3}{4}$ per cent., that the yield of a penny in the pound in the income tax had also increased, but that the rate of increase was only 15 $\frac{1}{2}$ per cent., while the expenditure in the same period, viz., 1876 to 1896, a time of peace, let us not forget, had risen by 68 per cent. Population had increased 19 per cent., yield of taxation, say, 17 per cent., and the national expenditure four times as much, viz., 68 per cent. If we are in this Province to continue to enlarge the action and sphere of government, grant aid in all directions and increase it from year to year, assume new obligations from time to time—and such is the tendency in all countries—then the cost of administration must of a certainty proportionately increase. The people of this Province, like the people of England, will not be content to stand still and mark time, but will insist that advance, progress and development shall be the guiding watchwords of their Administration. All criticism such as that to which I have been referring is therefore valueless and of no effect.

I move, Mr. Speaker, that you do now leave the Chair.

APPENDIX.

STATEMENT shewing amounts payable annually for Certificates issued by the Treasurer of the Province of Ontario, for "Aid to Railways" and "Annuities."

Year.	Railway Aid Certificates.	Annuities.	Year.	Railway Aid Certificates.	Annuities.
	\$ c.	\$ c.	<i>Forward...</i>	\$ c.	\$ c.
1897.....	150,050 72	90,200 00	1917.....	44,136 34	90,200 00
1898.....	121,337 72	90,200 00	1918.....	44,186 34	90,200 00
1899.....	107,105 33	90,200 00	1919.....	44,186 34	90,200 00
1900.....	101,032 32	90,200 00	1920.....	44,186 34	90,200 00
1901.....	69,226 91	90,200 00	1921.....	44,186 34	90,200 00
1902.....	53,069 31	90,200 00	1922.....	44,186 34	90,200 00
1903.....	44,601 63	90,200 00	1923.....	44,186 34	90,200 00
1904.....	44,186 34	90,200 00	1924.....	44,186 34	83,500 00
1905.....	44,186 34	90,200 00	1925.....	44,186 34	69,500 00
1906.....	44,186 34	90,200 00	1926.....	44,186 34	56,650 00
1907.....	44,186 34	90,200 00	1927.....	44,186 34	44,250 00
1908.....	44,186 34	90,200 00	1928.....	44,186 34	38,000 00
1909.....	44,186 34	90,200 00	1929.....	44,186 34	38,000 00
1910.....	44,186 34	90,200 00	1930.....	43,486 74	38,000 00
1911.....	44,186 34	90,200 00	1931.....	39,988 74	31,000 00
1912.....	44,186 34	90,200 00	1932.....	32,992 74	20,000 00
1913.....	44,186 34	90,200 00	1933.....	30,194 34	16,000 00
1914.....	44,186 34	90,200 00	1934.....	28,095 54	16,000 00
1915.....	44,186 34	90,200 00	1935.....	16,202 34	12,000 00
1916.....	44,186 34	90,200 00	1936.....	10,163 81	4,000 00
<i>Forward...</i>	1,221,046 36	1,804,000 00	<i>Totals.....</i>	1,996,593 03	2,902,600 00

NOTE.—Present value of Railway Certificates—(interest $2\frac{1}{2}$ per cent. half yearly). \$1,402,352 85
Present value of Annuities—(interest $2\frac{1}{2}$ per cent. half yearly)..... \$1,566,248 40

C. H. SPROULE,
Provincial Auditor,

